



Request for Qualifications – 431, 437, 443 Penn Street

City of Reading, PA



October 29, 2021

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MAYOR MORAN WELCOMING STATEMENT

Welcome to the City of Reading, where investing in a mixed-use development located in the heart of downtown at Penn Square guarantees a promising return.

In 2023, Reading will be celebrating 275 years. Our rich history bridges the industrial revolution to the modern era of arts, music, and sports. Reading is the birthplace of pop star Taylor Swift, legendary writer John Updike, and popular actors such as Meg Foster and the late Michael Constantine, who played Gus Portokalis in my Big Fat, Greek Wedding. It is also the home of Lonnie Walker, a member of the San Antonio Spurs, who honed his skills at the basketball courts in Baer Park. It is home to the Reading Fightin' Phils, who boast the beginning of stellar careers for famous Philadelphia Phillies such as Greg Luzinski, Jimmy Rollins, Ryan Howard and Hall of Famer Mike Schmidt along with Roger Maris, who broke Babe Ruth's single season home run record when the City was affiliated with the Cleveland Indians.

The City's historic downtown is filled with magnificent architecture with several significant landmarks. In 1794, George Washington stayed at the Federal Inn at Fifth and Penn Streets, which later became the Farmer's National Bank building. From afar, the majestic pagoda lights up the night. This structure has been overlooking our mountain since 1908 and is considered to be a local treasure.

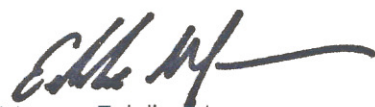
The City is also home to a number of exciting cultural attractions, including the Firefighter's Museum, the Berks County History Center, the Santander Arena and Performing Arts Center, the Reading Public Museum, the Reading Science Center, the Mid-Atlantic Air Museum and the GoggleWorks Center for the Arts. All of these are a short walk from the Fifth and Penn Street buildings.

The City houses some of the finest colleges and universities in Pennsylvania with Alvernia University, Albright College, Reading Area Community College, Penn State Berks and the Berks Technical Institute. These institutions provide numerous resources for the professionals who are proudly working to improve our community.

My favorite word is "synergy" which is defined in dictionary.com as: "The interaction or cooperation of two or more organizations, substances, or other agents to produce a combined effect greater than the sum of their separate effects." It will take synergy to redevelop the Penn Square properties and the City is looking for a developer willing to collaborate.

The first Mayor on record – arguably the best ever by some scholars – was Pericles of Athens. He said, "All good things flow into the City because of its greatness." The same is true for our great city of Reading.

Warmest Regards,

A handwritten signature in black ink, appearing to read "Eddie Moran", with a long horizontal flourish extending to the right.

Mayor Eddie Moran

INVESTING IN THE CITY OF READING

This Request for Qualifications (RFQ) is aimed at revitalizing five buildings located in the Callowhill Historic District. The site includes the historic Farmers National Bank building built to replace the Federal Inn in 1927, as well as the nine-story Callowhill Building, which was first constructed in 1902. More additions were made to the building in the late 1920s, with the last addition in 1982 to create a 1.22-acre spacious complex amenable to a multitude of opportunities. The City's vision for the 159,255 square-foot development includes creating a mixed-use center that in addition to residential development offers a variety of services, including but not limited to: specialized healthcare services, research and development, marketing, software development, restaurants, entertainment, and retail space.

Cities like Reading provide a more affordable, charming, and less congested environment for knowledge and technical service industry employers seeking to relocate. Reading has an array of opportunities for outdoor recreation, a historic downtown with beautifully preserved architecture, an abundance of diverse dining options, and a rich culture with an active arts community. In its 2021-2022 list of the best places to live in the United States, U.S. News and World Report ranked Reading as #101 nationwide, and #5 in Pennsylvania due to its quality of life, low cost of living, convenient location, and diverse community.¹



The City pledges to provide all tax abatement tools available through Opportunity Zone funds to ensure your investment is sound and profitable. The Commonwealth of Pennsylvania as well as the Federal government offer multiple programs designed to support low-income communities like Reading. Developers and investors are encouraged to bring their best clients to be a part of remaking Reading's central hub.

¹ Griffith, Cynthia. "Reading, Pennsylvania." US News and World Report, 2021.

REQUEST FOR QUALIFICATIONS

Issue Date: October 29, 2021

Mandatory Site Tour: November 8 – December 3, 2021

Refer to page 9 for more details

Submission Due Date: January 14, 2022

Notice

The City of Reading ("City") is seeking to receive professional qualifications from Developers interested in acquiring, and collaborating to redevelop the City-owned properties located at 431, 437, and 443 Penn Street ("Property"). These properties are in a portion of Reading's central business district known as Penn Square. The parcels encompass five historic buildings across three separate tax parcels, for a total of 159,255 square feet of built space on 1.22 acres. Submissions will be received by the City of Reading until **3:00 p.m. prevailing time on January 14, 2022** in the Office of the Purchasing Coordinator, 815 Washington Street, Room 2-45, Reading, PA 19601. More information about the property can be found in the Property Overview section of this document.

The information in this RFQ is provided for background purposes only. While every effort has been made to ensure the accuracy of the information contained in this RFQ, it is not a representation, warranty or guarantee by the City regarding the content, completeness, or accuracy of such information, or the qualifications or expertise of the individual(s) providing or preparing such information.

This RFQ is not an offer to convey the Property; rather, this RFQ seeks qualifications from developers for the City's consideration. This RFQ is not a legally binding document, but an invitation to submit qualifications and credentials in response to the RFQ. The information being requested as part of the RFQ process is necessary for the City to adequately evaluate submissions. Failure to supply the requested information in part or whole may result in rejection of the submission. The City is not responsible for any costs or fees incurred by prospective developers or their subcontractors, in connection with this process, including, but not limited to costs associated with preparing a submission or associated with participating in any presentations or negotiations related to this RFQ and subsequent transaction. Payments to any agents or brokers will be the responsibility of the Purchaser.

The City reserves the right to reject any or all submissions or parts of submissions submitted, to negotiate modifications, and/or to negotiate specific work elements with a prospective developer into a project of lesser or greater magnitude than described in this RFQ or the prospective developer's reply. The City reserves the right, at any time, to modify the schedule, scope and terms of this solicitation process. The City also reserves the right to request additional or clarifying information from any or all of the parties that submit documents in response to this RFQ. The City reserves the right to negotiate with one or more applicant at a time. Developers who fail to submit additional information requested may be disqualified.

**The City's point of contact for this RFQ is Tammi Reinhart, Purchasing Coordinator:
610-655-6207, Tammi.Reinhart@Readingpa.gov**

BACKGROUND

The City is issuing this developer solicitation RFQ to parties interested in acquiring and developing the City-owned parcels at 431, 437 and 443 Penn Street. The Property is located in the heart of Reading's Downtown, and presents a rare opportunity to redevelop over half of a city block located in a Federal Opportunity Zone.

The City of Reading, located in southeastern Pennsylvania, has a population of over 95,112 and is the fourth largest city in the Commonwealth of Pennsylvania. Reading serves as the County Seat of Berks County. Centrally located, Reading is 63 miles northwest of Philadelphia, 62 miles east of Harrisburg, 39 miles southwest of Allentown and 34 miles northeast of Lancaster City. In addition, the City is accessible by many major highways. To the north, Route 222 and State Route 78 connect Reading to Allentown, Harrisburg, and New York. To the south, state routes 422 and 176 connect the City to Philadelphia and Baltimore.

The vision for downtown Reading – Reading's vision is to become a twenty-first century regional center of education, entrepreneurship, diversity, opportunity, and innovation. The City is looking to create a live/work/play/arts/learn innovation destination downtown, and increase mixed-use and mixed-income development. Reading is steeped in history, from an industrial past to a railroad hub to an outlet shopping destination. Reading, Pennsylvania is home to several nationally-recognized companies, including Carpenter Technology Corporation, Sweet Street Desserts, DS Smith, and Reading Truck Body. As the County seat, the City is home to numerous government offices, several colleges, a university, and several healthcare facilities. Our goal is to create a downtown that recognizes its diverse culture, while also attracting new residents, new entertainment venues, market rate and luxury apartments, as well as advanced community services including healthcare.

Reading's future, however, is something we collectively want to actively shape: a vibrant, diverse urban center that provides outstanding nightlife and dining, easy access to trails, and a thriving business community. The tools, resources, and people to make that vision a reality are all available in downtown Reading.

The City of Reading is focusing on downtown revitalization and strengthening surrounding neighborhoods. This includes cultivating an environment where businesses and entrepreneurs thrive in downtown, as well as attracting and retaining quality real estate investment. The City is currently working on a Downtown Strategic Master Plan and a Comprehensive Parking Plan, both of which will shape development priorities and strategies going forward. Below are some key assets and accomplishments.

Workforce availability and development - The City has several technical institutions that assist residents in developing skilled and professional careers. Young professionals can develop proficiency in a variety of engineering and technical fields by starting at Reading Area Community College (RACC) or Berks Career and Technology Center (CTC), and continuing onto Penn State Berks. The Technical Academy, a collaboration between RACC and CTC, enables high school students to get started on their associate's degree. In addition, a new guaranteed admissions program allows students to progress from the secondary CTC, to RACC for an associates, and then to either Alvernia University or Bloomsburg University for a Bachelor of Applied Science Degree program in Technical Leadership. Local employers assist in providing students with hands-on experience. Carpenter Technology Corporation, a special alloys manufacturer, offers undergraduate

internships for students studying Mechanical Engineering, Industrial Engineering, or Engineering Management, enabling students to experience real-world applications in leading-edge alloy engineering, manufacturing and distribution. These programs offer some of the best technical career pathways in the Commonwealth.

The importance of Reading's strong manufacturing sector is further emphasized at the state level. The Pennsylvania Department of Community and Economic Development's Deputy Secretary for Business Financing, Carol Kilko, recently visited Reading for the Berks/Schuylkill awards ceremony for the 'What's So Cool About Manufacturing?' contest. This competition, run by the Manufacturers Resource Center, encourages student teams to create video stories and profiles of companies across the State. Kilko said: "Pennsylvania has always been a pioneer in the manufacturing industry. And that's why we continue supporting this contest. Initiatives like 'What's So Cool About Manufacturing?' connect people to good-paying jobs and provide students the opportunity to explore new careers. We're committed to moving our economy forward by helping manufacturers grow and giving our workforce the skills they need to succeed."

In the healthcare field, Tower Health's School of Health Sciences offers a Nursing Program which provides hands-on learning in a clinical setting to prepare students to practice as a registered nurse. In 2021, Drexel University College of Medicine established a regional medical campus at Tower Health in West Reading, enabling students to experience clinical training at Reading Hospital for the MD Program. Penn State Health at St. Joseph's Pharmacy Residency's accredited program by the American Society of Health-System Pharmacists (ASHP) trains students to develop skills in patient-centered care and pharmacy operational services.

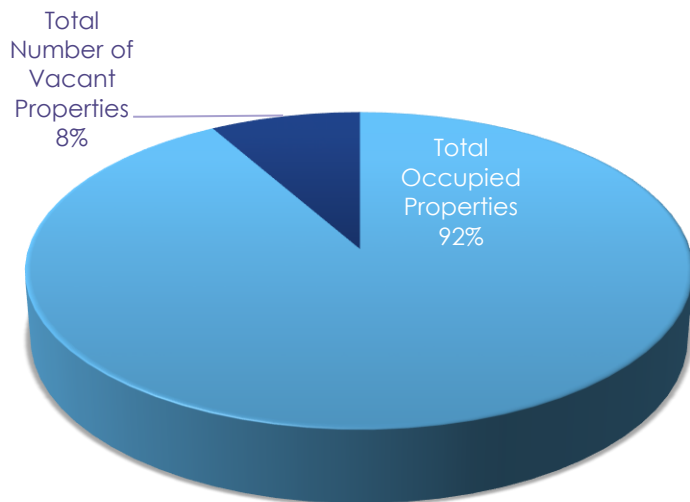
Reading demographic information – To assist developers in determining the type of use that can be most beneficial to the community based on the demographics of the City of Reading, we offer the following statistics from the 2019 ACS 1-year estimates.

Employment Type and Number of Employees					
Zip Code	19601	19602	19608	19609	19611
Number of Employees	10265	4160	5919	2819	13781
No. of All establishments	528	190	428	207	270
Construction	37	10	46	19	19
Manufacturing	34	15	19	7	17
Wholesale trade	24	10	28	8	13
Retail trade	59	35	49	19	42
Transportation and warehousing	19	0	10	0	7
Finance and insurance	15	10	11	15	4
Information	12	0	4	3	0
Real estate and rental and leasing	15	10	19	14	8
Professional, scientific, and technical services	72	13	47	17	8
Management of companies and enterprises	4	0	11	0	4
Administrative support and waste management and remediation services	23	5	28	14	8
Educational services	4	0	10	4	8
Health care and social assistance	68	31	43	33	41
Arts, entertainment, and recreation	11	3	13	0	5
Accommodation and food services	44	23	31	20	43
Other services (except public administration)	87	22	59	34	43
Utilities	0	3	0	0	0

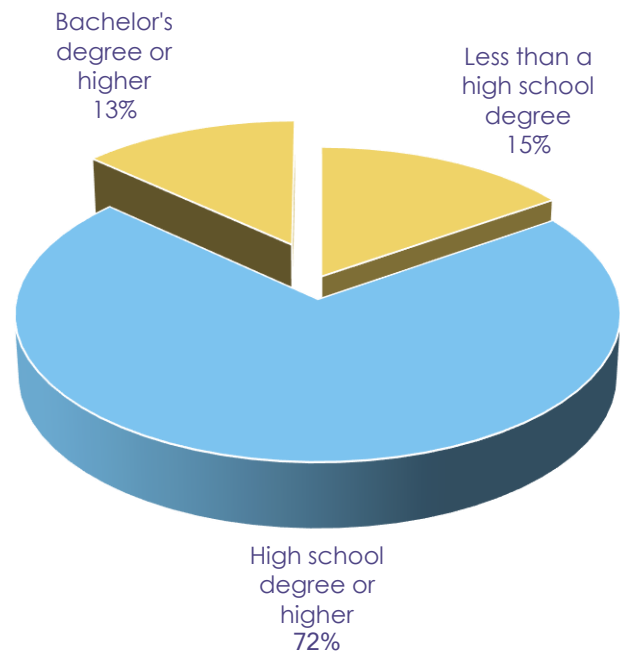
Race and Hispanic Origin

White	54.0%
Black or African American	12.8%
American Indian and Alaska Native	1.9%
Asian	0.0%
Native Hawaiian and Other Pacific Islander	0.0%
Hispanic or Latino	67.0%
White alone, not Hispanic or Latino	21.3%

Housing Distribution



Educational Attainment



Education By Age Group	
Age 18 -24	12,522
Less than high school	1,765
High School and equivalency	4,526
Associates Degree	4,638
Bachelor's degree or higher	1,593
Age 25 and over	51,648
Less than 9th grade schooling	5,724
9th to 12th grade, no diploma	8,867
High School and equivalency	19,602
Some college, no degree	7,400
Associates Degree	2,914
Bachelor's degree	5,326
Graduate or professional degree	1,815
Population 25 to 34 years	11,364
High school graduate or higher	10,218
Bachelor's degree or higher	1,146
Population 35 to 44 years	9,542
High school graduate or higher	8,212
Bachelor's degree or higher	1,330
Population 45 to 64 years	14,711
High school graduate or higher	11,897
Bachelor's degree or higher	2,814
Population 65 years and over	8,581
High school graduate or higher	6,730
Bachelor's degree or higher	1,851

Recent development and funding opportunities in Berks County –

Manufacturing and redevelopment are growing in Berks County. In early 2020, Governor Wolf announced that Seakeeper, a boating part manufacturer, will invest \$11.1 million to expand existing manufacturing operations in Berks County to 180,000 square feet across seven buildings to create nearly 100 jobs in the region. In the past year, the Reading Redevelopment Authority was granted \$878,612 from the Industrial Sites Reuse Program for environmental remediation of the former Buttonwood Gateway site in Reading. This project, a partnership with the Delaware Valley Development Company, will revitalize a blighted area of the City, creating twenty-eight townhomes, twelve walk-up apartments, and six three-bedroom apartments.

Berks County supports small businesses. Through the COVID-19 Hospitality Industry Recovery Program (CHIRP), more than \$4 million was administered to local businesses and hotels in through the Greater Reading Chamber Alliance (GRCA), a designated Community Economic Development Organization (CEDO), in collaboration with Community First Fund, a Community Development Financial Institution (CDFI).

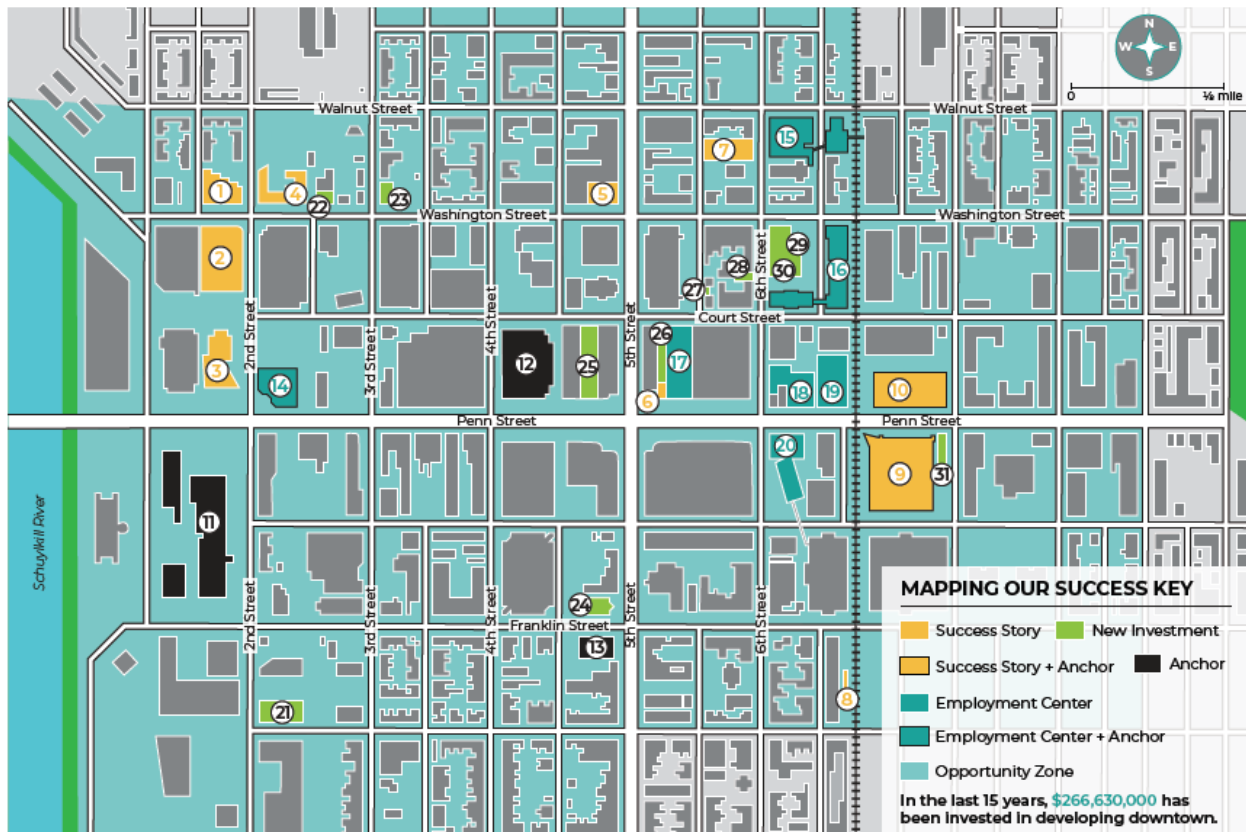
Arts and entertainment continue to be a vital draw by bringing people into downtown Reading with various performance venues, art centers, and art galleries at destinations such as the Santander Arena, Santander Performing Arts Center, Miller Center for the Arts, the WCR Center for the Arts, the GoggleWorks Center for the Arts, and more.

Over the last eighteen years downtown Reading has welcomed over \$266+ million in investment in key projects including:

- \$30+ million at Reading Area Community College – one of the anchor institutions in downtown Reading at 2nd and Penn Streets
- \$36+ million in “Entertainment Square” comprised of the GoggleWorks Center for the Arts, GoggleWorks Apartments, and the IMAX movie theater
- \$50+ million in the Santander Arena and Santander Performing Arts Center, which anchors the commercial corridor on Penn Street
- \$60 million for the DoubleTree by Hilton – a top performing DoubleTree in the nation
- \$20 million for Alvernia University's CollegeTowne – a downtown campus hub that includes a small business incubator, dorms, engineering labs, and other classroom space

In the past four years, development and redevelopment projects in downtown Reading totaled **692,000 square feet** and are estimated at **\$71 million of total investment**.

DOWNTOWN READING Mapping our Success



In addition, there are numerous mixed-use, residential, retail, and office redevelopment opportunities. These properties are actively being marketed to the investment and the development community locally, regionally, and beyond. In particular, the designation of a majority of the downtown as a Federal Opportunity Zone has resulted in heightened interest. Please see **Reference Document C** for an investment prospectus for downtown Reading.

Downtown Reading's walkability score is 94/100, making it a "Walker's Paradise," according to walkscore.com. Downtown Reading is also home to several iconic Harry Bertoia sculptures. Coupled with some truly one-of-a-kind historical architecture, the streetscape is a hidden gem. As part of the Downtown Strategic Master plan, there has been special focus on the physical environment of Penn Street, specifically streetscape and pedestrian enhancements, storefront renovations, and upper floor redevelopment.

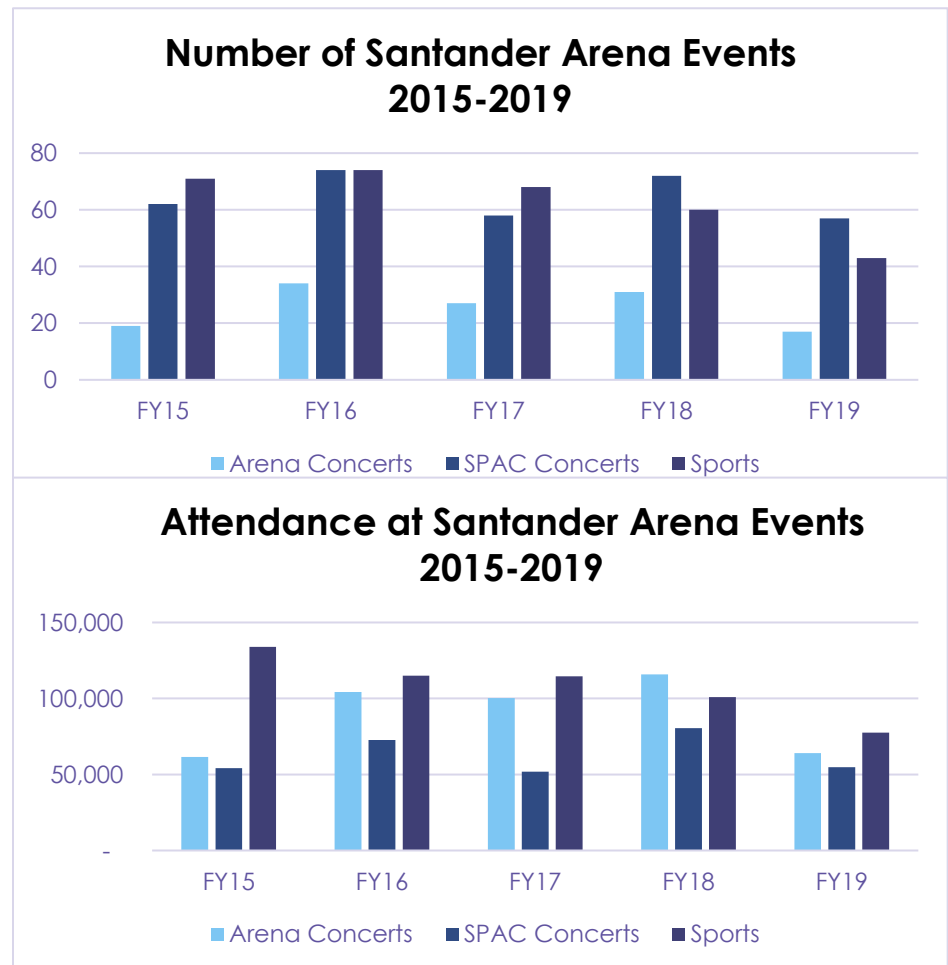
With a daytime population of 20,000 in downtown Reading, Mayor Moran's administration is working tirelessly to attract new businesses, developers and investors to capitalize on that capacity by offering year-round daytime and evening events. These events are breathing new life into the downtown area – a free concert series, Downtown Alive, draws thousands of people to the 500 block of Penn Street throughout the summer. A seasonal, outdoor farmers market, Penn Street Market, not only brings the community together on a weekly basis, it is also part of the fresh food network in the City of Reading. Other popular events include Fire and Ice in the winter, Reading Holiday Parade, and First Friday Beer Gardens throughout the summer months.

Between 2015 and 2019, the Santander Arena and Performing Arts Center hosted over 760 sports and concert events, with over 1.3 million attendees.

While there are collective efforts focused on downtown Reading, less than one mile away, the neighboring municipalities of West Reading and Wyomissing have realized over \$70 million in investment over a short two-year period beginning in 2017 by Equus Capital Partners, Teleflex, Drexel University, Tower Health and others. The redevelopment of the

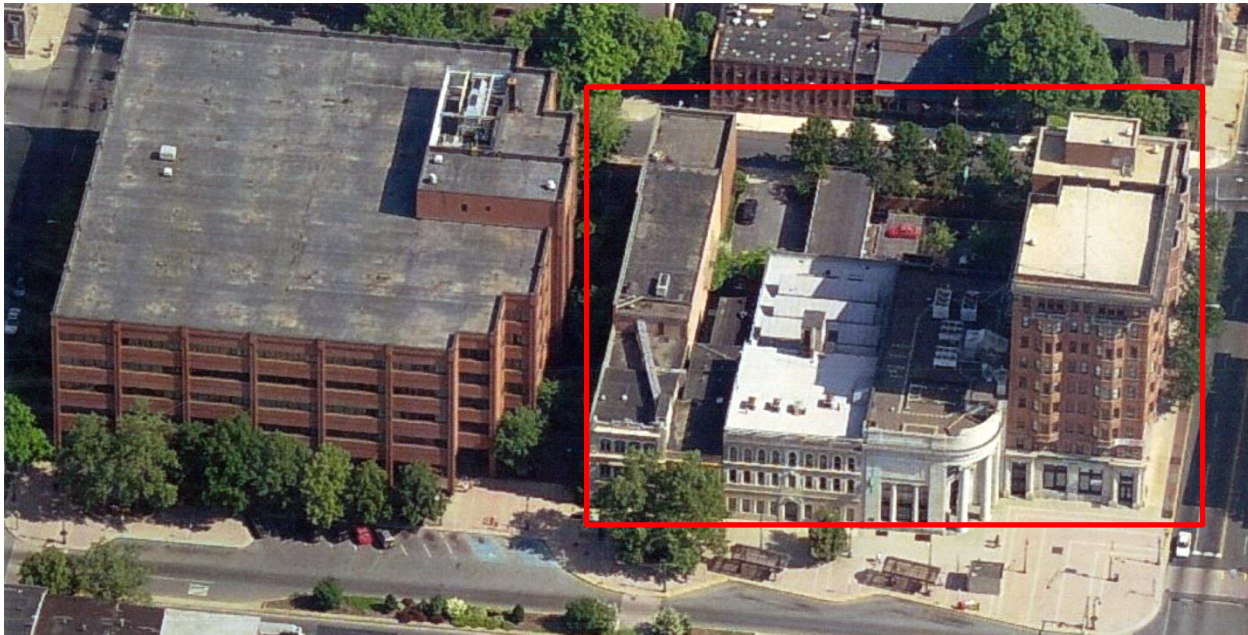
VF Outlet Center, now called the Knitting Mills has been a catalytic project for the area. In addition to the commercial redevelopment at the project, luxury apartments have been added to the mix. The concentration of density, the influx of new professionals, the further expansion of an already successful commercial district, and the long-term development of connectors to our urban core in the City of Reading will have a profound impact on our growth and our strategic positioning in the southeast region.

The time is ripe to create the Reading that has long been envisioned – one that will be the region's hub to live, work, learn, and play.



PROPERTY INFORMATION

The Property includes three (3) separate but contiguous parcels totaling 1.22 acres of land and includes 159,255 SF of built space dispersed amongst five (5) historic buildings. They are located within the block bounded on the north by Court Street; on the east by N. 5th Street; on the south by Penn Street; and by N. 4th Street to the west. Please see below for an aerial image of the site.

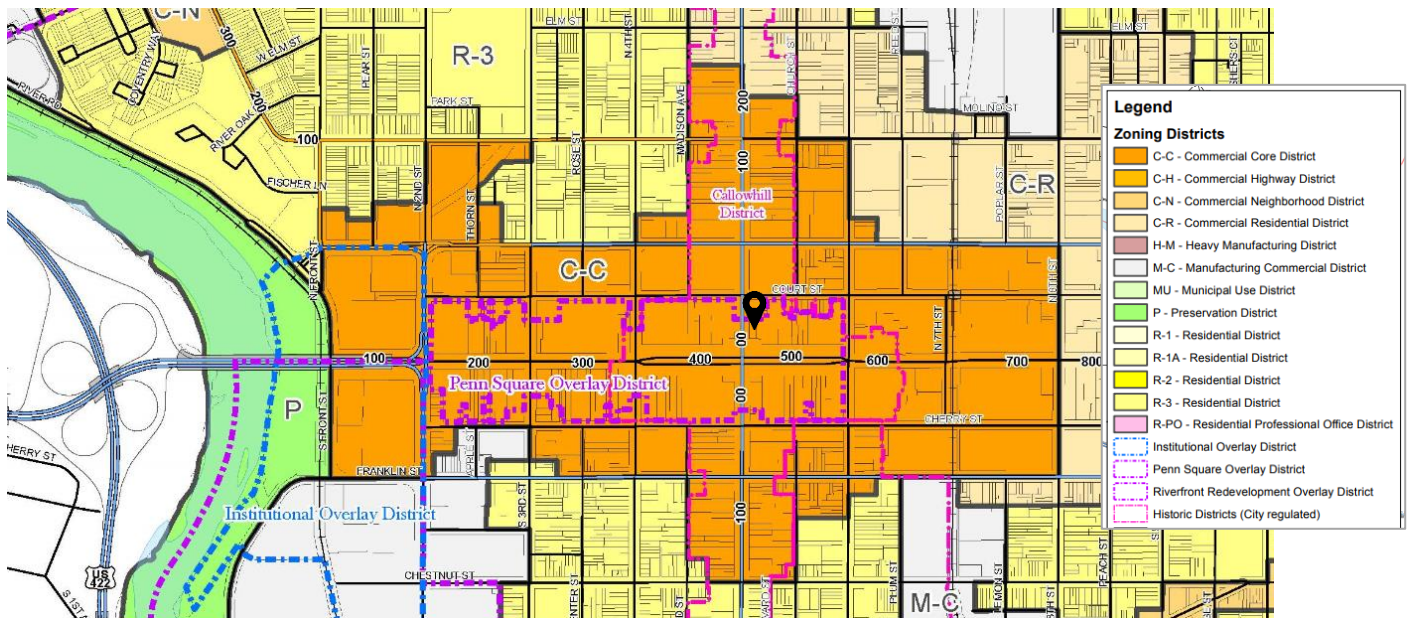


A. Site Characteristics

- **431 Penn Street-** Improved by two brick buildings built in 1900. Each building is 3-stories with a combined square footage of 29,316 SF on .26 acres.
- **437 Penn Street-** Improved by a 25,800 SF brick building built in 1925 located on .20 acres
- **443 Penn Street-** Improved by three buildings totaling 104,139 SF on .76 acres
 - Farmers National Bank building – 2-story with Mezzanine, 24,508 SF concrete construction, built in 1927
 - Callowhill building- 9-story, 59,676 SF brick building; built in 1902
 - Bank/Office building -19,955 SF; addition to the Callowhill Building, built in 1982

While the buildings have been vacant for over 20 years, the facades that remain are considered to be in good condition and worth preserving. However, the buildings' interiors are in various states of disrepair and will require structural repairs or possible deconstruction of specific sections of existing buildings. Please see **Reference Document D** for a Building Conditions Report, building appraisals, **Reference Document E** for the property title report and **Reference Document F** for selected floorplans of the buildings.

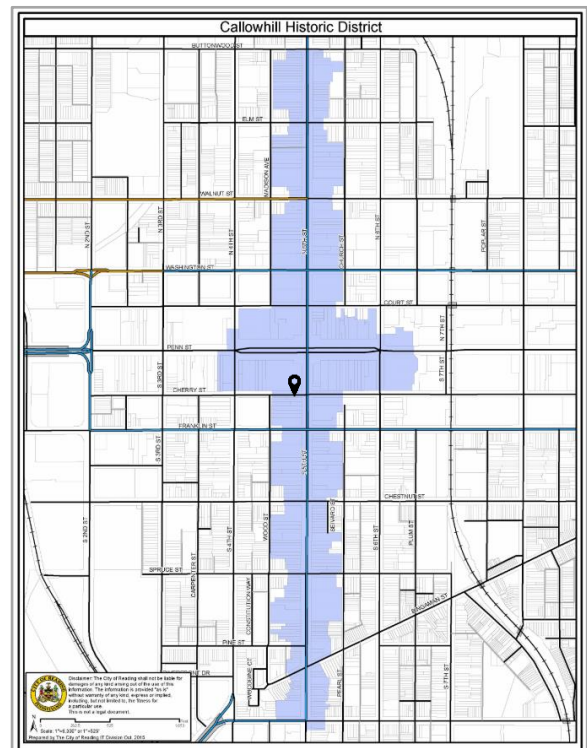
- B. Zoning** – The parcels are in the commercial core (C-C) zoning district. A copy of the zoning map and code may be found on the [City of Reading's website](#) and in **Reference Document F**.



- C. Historic Preservation**- The properties are located within the Callowhill Historic District. A map of the Districts can be found on the [City of Reading's website](#) or **Reference Document H** for information related to the historic designation.

The Historic Architectural Review Board (HARB) is an advisory group of the City of Reading committed to preserving key historic architectural features and character within the Historic Districts of Reading.

To protect the historic features, the HARB must approve proposed changes to properties or buildings within certain historic districts and deem the alterations appropriate. Each change is assessed in order to ensure that it will enhance or preserve the historic architecture and character of a neighborhood, as well as prevent the loss of irreplaceable features. Architectural changes include new construction, demolition, exterior renovations, and signage that is visible from public rights of way such as streets and alleys.



- D. Accessibility** – The Property is located in an extremely walkable area – scoring a walkability score of 94, and is within a 20-30 minute drive from two major interstates (The Pennsylvania Turnpike (I-76) & I-78) and PA Route 422. It is a 9 minute walk from Reading's BARTA Transportation Center,
- E. Utilities** – The Property is well served by existing public utilities. Electric, natural gas, water, sewer and telecommunication services are provided to the site by various public utilities. Any upgrades to existing utility services (both on and off the site) and any new connections to support the redevelopment of the site will be the responsibility of the selected developer. Two of the buildings currently share an HVAC system.
- F. Environmental** –The City completed a Phase I environmental investigation. The findings concluded that further investigation of some environmental conditions is required. Please see **Reference Document I** for the Phase I report. Properties are being offered as-is with no representations or warranties. The Purchaser is responsible for any environmental investigation above and beyond the Phase 1 findings.
- G. Downtown Strategic Master Plan & Greening Plan** – The Downtown Strategic Master Plan outlines strategies to achieve Reading's vision for downtown revitalization. It includes a market analysis, proposals for mobility improvements, as well as strategies to enhance the arts and culture community and historic preservation. The properties at 5th and Penn Street are highlighted as priority sites for catalytic development. The plan identifies this area as a place to 'create a critical mass of people living, working, playing, and innovating to bring Penn to life as the City and region's 'Main Street.' Please see **Reference Document A** for a presentation of initial recommendations from the plan.



The Greening Penn Street planning study was initiated by the EPA to develop an innovative and implementable vision for a distinctive and ecologically functional streetscape which incorporates green infrastructure within the context of the city's history, culture, and commercial evolution. The Property sits in the "Penn Square Festival Space," one of six focus areas identified in the Greening Plan. The plan notes the area's significant architecture and generous dimensions of the sidewalk that make it a perfect location for civic events and daily gathering. Please see **Reference Document B** or [on the City of Reading's website](#) for the complete Greening Plan, inclusive of streetscape and infrastructure recommendations.

Redevelopment Goals and Vision

The City's primary objective in issuing this solicitation is to select an experienced, capable and qualified development company/team that will ultimately plan and implement a dynamic mixed-use development that significantly enhances and complements the nearby existing commercial and residential uses, while maximizing the value of the Property. The completed project will result in a well-designed (re)developed city block that is pedestrian-friendly and supports additional redevelopment, while being mindful of the character and scale of the surrounding neighborhood. Submissions that can address and preserve the properties' historic character will be favored.

Active uses at the street level are critical along Penn Street. The C-C zoning designation allows for a wide range of uses above street level, including professional offices, medical laboratories, research and development centers, and residential apartments. Submissions that include a mix of uses that will activate the site during the day and evening hours will also be favored. Submissions should address how the use will work in conjunction with on or off-site parking. There is ample parking in the downtown, with several public garages within walking distance, however the City is open to a variety of parking proposals. The City is willing to consider submissions that are specific to individual sites, and may request that developers work together.



The City of Reading is particularly interested in entertaining proposals that can address the following:

- 1) **Specialized Healthcare.** With three medical institutions in the area—Tower Health, Penn State, and Berks Community Health Center, Reading is in need of specialized medical services. This includes, but is not limited to, kidney dialysis, advanced pediatric healthcare services for psychological testing and neurotherapy, advanced care for women, dental assistance, and medical research.

- 2) **Software Development.** Reading Area Community College and Alvernia University's School of Engineering provide ample potential workforce for software development companies.
- 3) **Research, Development, and Marketing Center.** Reading's infrastructure offers the right environment to host a marketing research center to create data-backed business strategies.
- 4) **Market Rate Apartments.** Market rate apartments are in high demand throughout the City. A recent study of the downtown market indicates the City can support 1000 to 1500 apartments in the next decade. The U.S. Department of Housing and Urban Development (HUD) estimates fair market rents annually. This information can be found on the HUD website: www.huduser.gov.
- 5) **Restaurants and Entertainment.** Restaurants, dining, and nightlife present major opportunities. The City is looking to attract young professionals, and entice college and university graduates to stay.
- 6) **Fashion.** Reading has a history of fashion manufacturing, and the knitting mills industry goes back to 1891. The spirit of this tradition continues today, as Albright College has one of the top fashion programs in the country and the GoggleWorks Center to the Arts is located right downtown. The City is looking to build on this opportunity. Targeting small fashion houses which can utilize the art in GoggleWorks and the wealth of institutional knowledge that Albright College offers, the City welcomes developers that can attract small fashion designers.
- 7) **Food Access.** Advancing food access is the highest priority for City officials, who have been working on a diverse spectrum of food nutrition issues, including utilizing federal programs and services designed to provide families, mothers, infants and school children with access to affordable and nutritious food options. The City is actively seeking a grocery store within the downtown that can offer a diverse assortment of produce and other items.
- 8) **Public Art.** The City is looking to support the well-established arts community, in particular through multifunctional venues that can be shared by various arts organizations and artists.

FINANCE AND DEVELOPMENT INCENTIVES

Many of today's most vibrant neighborhoods were once economically distressed areas. The City of Reading has been targeting transitioning neighborhoods since the inauguration of Mayor Moran in 2020. The Mayor's staff invites developers to invest within the City where the highest potential returns exist. The City has promising opportunities, with a vibrant population and job growth, a diverse economy, and higher forecasted demand than supply.

The City has the ability to provide incentives and assist in the financing of the development or redevelopment of the Penn Square properties. Please note that any public financial assistance may trigger additional requirements which have not been outlined in this RFQ. The City, in collaboration with the Greater Reading Chamber Alliance, has established a successful Downtown Revitalization Public Private Partnership. A similar program can be discussed with a successful developer. Please see below for a list of potential available incentives and financing opportunities. These can be modified or adapted, subject to the proposed use.

- **Local Economic Revitalization Tax Act (LERTA)**
- **Real Estate Tax Abatement Program (RETAP)**
- **Federal Opportunity Zone Funds**
- **Various PA Department of Community and Economic Development Grants and Low Interest Loans**
- **HUD Section 108:** A \$1.5M HUD Section 108 loan was secured for development of the site through a prior redevelopment initiative. Requirements of the HUD Section 108 program can be found on the [HUD WEBSITE](#) or in [Reference Document J](#).
- **New Market Tax Credits**
- **Historic Tax Credits**
- **Neighborhood Assistance Program**
- **Enterprise Zone Tax Credit**
- **Low Income Housing Tax Credit**
- **Redevelopment Assistance Capital Program (RACP)**
- **Industrial Sites Reuse (ISR)**
- **Business in Our Sites (BIOS)**
- **Building PA**
- **Commercial Property Assessed Clean Energy Program (C-PACE)**

RFQ PROCESS & TIMELINE

A. Mandatory Site Tour

Prospective developers must attend a site tour **between November 8 and December 3, 2021** in the lobby of 445 Penn Street. Due to the ongoing COVID-19 pandemic, tours will be conducted privately. Tour registration and releases must be completed by **November 8, 2021** and must contain the following information.

- Name, title, company and email address for **each person** attending the tour
- An executed Release Waiver and Indemnity form ("Release") for each individual attending the tour. The form is attached as **Appendix A** to this RFQ and can be downloaded from PennBID. Please note that the Release is not negotiable and must be executed in its current form. Any changes to the Release will disqualify any attendee from attending the tour.
- Please contact Tammi Reinhart, Purchasing Coordinator to schedule a private tour: 610-655-6207, Tammi.Reinhart@Readingpa.gov
- All participants attending the Site Tour must sign the release. The release form should be emailed to Tammi Reinhart at Tammi.Reinhart@readingpa.gov.

INDIVIDUALS OR TEAMS WHO FAIL TO SUBMIT THE RELEASE WILL NOT BE PERMITTED TO ATTEND A SITE TOUR.

B. Developer Questions

To ensure fair consideration for all proposers, the City prohibits communication to or with any City elected official, department director, division manager or employee during the submission process with the exception of those questions relative to interpretation of the RFQ, process, or requests for additional information.

Any questions regarding this RFQ must be submitted via PennBID (ebidexchange.com/pennbid). Questions submitted by **December 10, 2021** will be guaranteed a response prior to the submission date. The City cannot guarantee a response to questions submitted after the deadline. Telephone inquiries will not be accepted. All questions submitted to the City through PennBID and the corresponding responses will be distributed to all persons attending mandatory tours via PennBID. Questions may be answered on a rolling basis as they are received or individually, at the City's discretion.

C. Submission Deadline

- Submissions shall be received until **3:00 PM on Friday, January 14, 2022**.
 - An electronic submission, inclusive of all requested information and supporting documents, shall be submitted via the PennBid Program (ebidexchange.com/pennbid).
 - Submissions received via PennBid after the hour specified will not be considered.

If a submission contains misrepresentation of information, either willful or inadvertent, it may be cause for immediate elimination of the respondent from further consideration. Misrepresentation will also be cause for termination of any contracts (including the Agreement) executed between the City and the Developer. Submission of qualifications indicates acceptance by the firm of the conditions contained in this request for qualifications unless clearly and specifically noted that in the submission and confirmed in

the contract between the City of Reading and the firm selected. The City of Reading reserves the right without prejudice to reject any or all submissions.

D. Selection Process

A Review Committee will review and evaluate all proposals submitted in response to this RFQ. The Committee shall conduct a preliminary evaluation of all submissions based on the information provided. The Committee will first review each submission for compliance with the minimum qualifications and mandatory requirements of the RFQ. Failure to comply with any mandatory requirements may disqualify a submission.

Each qualified submission will then be evaluated on the criteria as outlined below in **Evaluation and Selection Criteria.**

The City may have the option to engage with the most qualified developers or issue an RFP. Submissions determined by the Review Committee to be competitive may be invited to submit more detailed proposals. A full project development or redevelopment plan is not required at this RFQ stage. The Property is subject to zoning and land development requirements. The City will assist the developer with all zoning and land development processes.

Select candidates will be invited to an interview. As such, development teams must be available for a mandatory interview with the selection committee at a date to be determined. After reviewing received qualified submissions, the City may opt to follow one or more of the following options:

- 1) Proceed with selected developer to finalize an agreement of sale
- 2) Issue an RFP to receive the best offer and applicable use
- 3) Negotiate with more than one developer to facilitate multiple beneficial uses
- 4) Pursue opportunity(s) with a Public Private Partnership (P3)

This process will be pursuant to a recommendation from the Mayor to City Council.

EVALUATION & SELECTION CRITERIA

Responses submitted to this RFQ will be evaluated on the basis of the following criteria, which are not listed in order of importance:

1. **Experience of Firms:** Firms should have a demonstrated ability to implement projects similar in scale and complexity. The developer should present evidence of a successful track record in completing, leasing, and managing comparable projects, as well as evidence that completed projects are successful and viable. The developer should provide their experience in working on renovation projects for the purpose of creating good paying job opportunities, spurring economic development, and the ability to meet the City's vision and goals, as listed on pages 16-17.
2. **Proposed Use:** The proposed development should include a mixed-use program that activates the site and spurs additional development in the surrounding neighborhood. Proposed uses should be compatible with the redevelopment goals and vision as indicated on pages 16-17.
3. **Quality & Compatibility:** The quality of the proposed program and its compatibility with the preferred development program and with the surrounding neighborhood will be a significant evaluation criterion.
4. **Development Team:** Quality and experience of the overall development team. Teams should include architects with a strong background in urban mixed-use development. Teams should include a historic preservation consultant or architects with experience in adaptive reuse. The development team should provide relevant experience working in other cities designated as economically distressed.
5. **References:** Include previous projects successfully completed in communities similar in size to Reading, PA, contact information for potential questions.
6. The City of Reading encourages the participation of Minority, Women and Disabled owned businesses in in the construction, ownership and operation of the proposed use.
7. **Capacity:** Demonstrated ability to complete, lease, and manage projects on time and within budget and must have exemplary technical qualifications, and the ability to resolve problems and adapt to unforeseen circumstances.
8. **Project Schedule:** Clear presentation of overall project goals, development team roles and responsibilities, and demonstrated competence in managing and financing construction schedule on time.
9. **Project Feasibility:** Project feasibility, with regards to the design, schedule, and financing of the project, as well as any contingencies or exceptions to the Agreement will be evaluated.
10. **Financial Capacity:** Financial capacity to undertake redevelopment or rehabilitation activities. The City reserves the right to request additional financial information in order to assess the prospective developer's financial capacity.

Please see **Appendix B** for a sample scoring matrix to be used by the Review Committee.

SUBMISSION REQUIREMENTS

This section of the RFQ outlines the requirements for qualifications submitted in response to this RFQ. Responses must contain all the following elements to be considered complete.

Incomplete responses may be disqualified immediately at the City's discretion. No responses will be accepted after the deadline.

The contents of the submission and any clarification to the contents submitted by the successful proposer may become part of the contractual obligation and be incorporated by reference into the redevelopment contract between the prospective developer and the City.

Submissions should be organized as set forth below and outlined in the Submission Checklist attached as **Appendix D**.

A. Cover Letter - Each submission should include a cover letter with the following information:

- Developer's name and mailing address
- Developer's current legal status
- Federal ID number
- Contact person's name, title, phone number, and email address
- Signature of authorized corporate officer for each entity proposing as a partnership or team

B. Proposed Development or Redevelopment Plan:

Narrative: Please provide a narrative description of the proposed conceptual development and a concept plan. Proposals must note any contemplated demolition or new construction that may be part of the development concept. The plan should include the proposed mix of uses, prospective tenants and end-users, estimate of job creation or description of other economic impacts, and an estimated development timeline including any phasing of the project.

If residential redevelopment is proposed, the proposal should include information about the dwelling unit composition, rent, and/or sales price, intended market, and any amenities/services that will support the residential development.

C. Financials

- **Financial Capability and References:** Demonstrate the developer's financial soundness and capability:
 - **References:** Include the names and addresses of at least three commercial or institutional credit references and a letter authorizing each credit reference to respond to inquiries from the City. References should be lending institutions from which the developer has obtained financing for previous projects of a similar size, cost, and scale as is being proposed.
 - **Recent Financial Statements:** Most recent financial statement, preferably from 2020 or 2021. Selected developer(s) will present an audited financial statements of the principal participants in the developer's organization should also be

included. A list of projects on which the respondent, its affiliates, subsidiaries or any members of its team has defaulted or declared bankruptcy is required. Evidence of financial capacity or commitment to execute the development project must be included.

D. Development Team Description

- **Development Entity:** Provide a description of the development entity and the lead design firm proposed for the project.
- **Financial Participants:** Identify any and all parties who are committed to or have a financial interest in the proposed development at this stage, whether active or passive. Developer(s) will provide a list of institutions financing the proposed building improvements. Each financial institution shall provide a commitment letter indicated the credit limits and naming the tasks financed by provided funds.
- **Development Team:** Provide a description of any key project team members, including lead architect, engineer, management company, operator, historic preservation consultant, and any other consultants involved with the design, construction, leasing or management of the project. Development Teams must include a Preservation consultant or architects with significant experience in adaptive reuse projects.
- **Other Proposed Projects:** The submission must contain a description of any additional development projects that will be underway during the development schedule for the Property. These descriptions should include the type of project, location, number of units, and estimated project cost.
- **Portfolio of Similar Projects and References:** Principals of the selected development entity and lead design team must demonstrate significant experience in designing, financing, leasing, constructing, and managing projects of a similar scope and size. Include illustrative materials on projects successfully undertaken which are of similar size, complexity, and quality to the redevelopment of the Property. Such materials should include a description of the project and the developer's role in its execution. Describe sources of debt and equity capital utilized in previous projects. Provide names, email addresses, telephone numbers, mailing addresses, titles and responsibilities of references familiar with each project cited as well as explicit written authorization to contact these references.

- E. Economic Opportunity-** The City of Reading encourages the participation of Minority, Women and Disabled owned businesses in the proposed construction, ownership and operation of the proposed project.
- F. Litigation/Judgments-** The submission must contain information regarding any litigation (pending or ongoing) that may affect the proposer's ability to successfully execute the proposed project for the Property.
- G. Conflicts-** Identify any past, current or anticipated contractual or financial relationship with the Alliance, their respective staff or board members, and the City of Reading

and its employees, board members, or commissions, or any other contractual or financial relationship that may give the appearance of a conflict of interest.

- H. Non-Collusion Affidavit-** The Non-Collusion Affidavit is material to any contract pursuant to this bid. According to the Pennsylvania Antibribe-Rigging Act, 73 P.S. 1611 et seq., governmental agencies may require Non-Collusion Affidavits to be submitted together with proposals. This Non-Collusion affidavit must be executed by the member, officer, or employee of the proposer who is authorized to legally bind the proposer. In the case of a proposal submitted by a joint venture, each party to the venture must be identified in the proposal documents, and an Affidavit must be submitted separately on behalf of each party. A copy of the Affidavit may be found in **Appendix E**.
- I. Non-Discrimination Statement-** Each party to the venture must execute the Non-Discrimination Statement, found in **Appendix F**.
- J. Certificate of Non-Indebtedness -** All responses submitted to this RFQ must contain a fully executed Certificate of Non-Indebtedness to the City of Reading. A copy of this Certificate is attached as **Appendix G** to this RFQ. Each firm or individual that is a member of the development entity must complete the Certificate of Non-Indebtedness.
- K. Right To Know -** All Proposals and other material submitted become the property of the City of Reading and may be returned only at the City's option. Information contained in the Proposals will not be disclosed during the evaluation process. Under Pennsylvania's "Right to Know" laws (65 P.S. §§ 67.101-67.3104), public records are required to be open to reasonable inspection. All Proposal information, including detailed financial information, will be held in confidence during the evaluation process and prior to the time the Agreement is executed by the City. Thereafter, the Proposals will become public information. The County will make available for viewing the Proposals and associated documents by appointment, at the City's Purchasing Department.

Trade secrets and other proprietary data contained in Proposals may be held confidential, if the Proposer requests, in writing, that the City does so, and if the City agrees in writing, to do so. Material considered confidential by the Proposer must be clearly identified in the "Trade Secret/Confidential Proprietary Information Notice" form **Appendix H**.

REFERENCE INFORMATION

REFERENCE DOCUMENT A Reading Downtown Master Plan Draft Recommendations

REFERENCE DOCUMENT B Greening Reading's Penn Street Final Report

REFERENCE DOCUMENT C Downtown Reading Investment Prospectus

REFERENCE DOCUMENT D 431 Penn Street Appraisal Report

REFERENCE DOCUMENT D 437 Penn Street Appraisal Report

REFERENCE DOCUMENT D 443 Penn Street Appraisal Report

REFERENCE DOCUMENT D Property Condition Report

REFERENCE DOCUMENT E TITLE SEARCH – W19-0559 – Part 1

REFERENCE DOCUMENT E TITLE SEARCH– W19-0559 – Part 2

REFERENCE DOCUMENT E TITLE SEARCH– W19-0559 – Part 3

REFERENCE DOCUMENT E TITLE SEARCH– W19-0559 – Part 4

REFERENCE DOCUMENT F Callowhill Improvement Floorplans

REFERENCE DOCUMENT F Callowhill Selected Floorplans

REFERENCE DOCUMENT G C-C Zoning District Commercial Info Sheet

REFERENCE DOCUMENT H Certificate of Appropriateness Application

REFERENCE DOCUMENT H HARB

REFERENCE DOCUMENT I City of Reading 431, 437, and 443 Penn Street Phase 1 ESA Report

REFERENCE DOCUMENT J Section 108 Loan Guarantee Program Overview

APPENDICES

APPENDIX A Access Waiver

APPENDIX B Sample Scoring Matrix

APPENDIX C Insurance

APPENDIX D Submission Checklist

APPENDIX E Non-Collusion Affidavit

APPENDIX F Non-Discrimination Statement

APPENDIX G Non-Indebtedness

APPENDIX H RTK Form